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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, December 7, 2000

JOINT PETITION OF

NORTHPOINT COMMUNICATIONS GROUP, INC.

CASE NO. PUA000070

and

BELL ATLANTIC CORPORATION d/b/a VERIZON COMMUNICATIONS

For approval of Agreement
and Plan of Merger

DISMISSAL ORDER

On September 20, 2000, NorthPoint Communications Group, Inc. ("NorthPoint"), and Bell Atlantic Corporation d/b/a Verizon Communications ("Verizon") (referred to collectively as "Joint Petitioners") completed a joint petition pursuant to § 56-88 et seq. of the Code of Virginia ("Va. Code § ____") for approval of a transaction in which Verizon would acquire majority control of NorthPoint Communications of Virginia, Inc. ("NPC"), a competitive local exchange carrier ("CLEC") and interexchange carrier ("IXC") in Virginia. According to the joint petition, the legal and operational status of NPC would remain unchanged following the merger.

On September 25, 2000, the Commission issued its Order for Notice and Comment. In that Order, the Commission directed the Joint Petitioners to give notice of the joint petition and provide interested persons with an opportunity to comment and/or request a hearing on or before October 30, 2000. The Commission also directed its Staff to file a report detailing its findings and recommendations and established a procedural schedule for the filing of the Staff Report and any responses thereto.

Pursuant to an October 13, 2000, Order, the Commission granted the Joint Petitioners' Motion to Modify Procedural Dates, which was filed October 12, 2000. The Commission directed comments and/or requests for hearings be made by November 7, 2000; Staff's Report to be filed by November 8, 2000; and any comments to Staff's Report to be filed by November 27, 2000. Pursuant to that Order, proofs of service and newspaper notice were filed on November 15, 2000.

On October 16, 2000, Cavalier Telephone, LLC ("Cavalier"), filed comments opposing the joint petition. Cavalier stated that it believed the merger of NorthPoint and Verizon to be anti-competitive in Virginia.

On November 8, 2000, Network Access Solutions Corporation ("NAS") also filed comments opposing the merger transaction. NAS believed that, without new regulatory protections, the competition for high-speed data transmission service for

businesses would be harmed. NAS disputed the Joint Petitioners' claim that Verizon's HDSL offering did not compete with CLECs' SDSL offerings. NAS also stated in its comments that, if the Commission approves the merger petition, then it should establish a hearing to develop regulatory conditions designed to protect competition in the market for high-speed business-class data transmission services.

Staff filed its Report on November 16, 2000. In its Report, Staff also noted its concern about the merger's effect on local competition in Virginia, especially in the short term. However, Staff noted that the trend of merging with a former competitor or buying one's way into the competitive market will continue for some time. Staff's report stated that, while the potential for discrimination is a valid concern, Staff did not believe that the acquisition of NPC by Verizon would hamper competition in Virginia. To the contrary, Staff believed that having a separate affiliate that must interface with the ILECs in the same way as CLECs currently do should make the possibility of discriminatory treatment less likely with respect to these services. Based on its analysis, Staff found no reason to object to the proposed merger of Verizon and NorthPoint.

On November 27, 2000, the Joint Petitioners filed their response to Staff's report. In the Response, the Joint Petitioners stated that, while they did not agree completely

with Staff's analysis, they supported the Staff's final conclusion.

On November 30, 2000, Verizon filed a letter requesting that this proceeding be dismissed. Verizon states in the letter that on November 29, 2000, it terminated its merger agreement with NorthPoint, therefore, the authority to proceed with this transaction is no longer necessary.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the joint petition should be dismissed. Accordingly,

IT IS ORDERED THAT:

(1) The above-captioned joint petition filed by NorthPoint Communications Group, Inc., and Bell Atlantic Corporation d/b/a Verizon Communications is hereby dismissed.

(2) There being nothing further to be done in this matter, it is hereby closed.

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